

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT:	EQUITABLE RESOURCES EXPLORATION)	
	A Division of Equitable)	
	Resources Energy Company)	
)	
RELIEF SOUGHT:	POOLING OF INTERESTS)	
	IN DRILLING UNIT SERVED)	
	BY WELL NO. VC-2277)	VIRGINIA
	PURSUANT TO SECTION)	GAS AND OIL
	45.1-361.22, (CODE OF)	BOARD
	VIRGINIA, 1950 AS)	
	AMENDED) FOR THE PRODUCTION)	DOCKET NO.
	OF COALBED METHANE GAS)	VGOB 93-0119-0317
	(herein "Coalbed Methane)	
	Gas" or "Gas"))	
)	
LEGAL DESCRIPTION:)	
)	
	DRILLING UNIT SERVED BY WELL NUMBER)	
	VC-2277 (Hereafter "Subject Drilling)	
	Unit") IN THE NORA COALBED GAS FIELD,)	
	HENRY SUTHERLAND T2 (C)-241 AND)	
	J.N.R. SUTHERLAND T-409 430.65 ACRE)	
	MINERAL TRACT, DUTY QUADRANGLE,)	
	ERVINTON MAGISTERIAL DISTRICT)	
	DICKENSON COUNTY, VIRGINIA)	
	(the "Subject Lands" are more)	
	particularly described on Exhibit)	
	"A", attached hereto and made a)	
	part hereof))	

REPORT OF THE BOARDFINDINGS AND ORDER

1. Hearing Date and Place: This matter came on for hearing before the Virginia Gas and Oil Board (hereafter "Board") at 9:00 a.m. on January 19, 1993, Dickenson Conference Room, Southwest Virginia Education 4-H Center, Abingdon, Virginia.
2. Appearances: Richard A. Counts appeared for the Applicant; Sandra B. Riggs, Assistant Attorney General, was present to advise the Board.
3. Jurisdiction and Notice: Pursuant to Sections 45.1-361.1 et seq., Virginia Code, 1950 as amended, the Board finds that it has jurisdiction over the subject matter. Based upon the evidence presented by Applicant, the Board also finds that the Applicant has (1) exercised due diligence in conducting a meaningful search of reasonable available sources to determine the identity and whereabouts of potential owners, i.e., persons identified by Applicant as having or claiming the rights to coalbed methane gas in all Pennsylvanian-aged coals from the top of the Raven formation, including all splits, to the bottom of the red and green shales, including, but not limited to the Raven, Jawbone, Upper Horsepen, Middle Horsepen, Warcreek, Beckley, Lower Horsepen, Pocahontas No. 8, Pocahontas No. 4, Pocahontas No. 3, Pocahontas No. 1 coal seams and other associated formations known as the Nora Coalbed Gas Field (hereafter "Subject Formations") in Subject Drilling Unit underlying and comprised of Subject Lands, and (2) has given notice to all parties so identified (hereafter sometimes "person(s)" whether referring to individuals, corporations, partnerships,

associations, companies, businesses, trusts, joint ventures or other legal entities) entitled by §§ 45.1-361.19 and 45.1-361.22, Virginia Code, 1950 as amended, to notice of this application, and (3) that the persons set forth in Exhibit B hereto are persons identified by Applicant who may be claimants of coalbed methane gas interests in Subject Formations, in Subject Drilling Unit underlying and comprised of Subject Lands. Further, the Board has caused notice of this hearing to be published as required by § 45.1-361.19.B, Virginia Code, 1050 as amended. Whereupon, the Board hereby finds that the notices given herein satisfy all statutory requirements, Board rule requirements and the minimum standards of state and federal due process.

4. Amendments: Exhibit B to reflect additional leased interests; Detailed Well Estimate (DWE) to reflect signature.

5. Dismissals: None.

6. Relief Requested: Applicant requests (1) that pursuant to §§ 45.1-361.22, including the applicable portions of § 45.1-361.21, Code of Virginia, 1950 as amended, the Board pool the rights, interests and estates in Subject Drilling Unit, including those of the known and unknown persons named herein and their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, for the drilling and operation, including production, of Coalbed Methane Gas produced from the Subject Drilling Unit established for the Subject Formations underlying and comprised of the Subject Lands, (hereafter sometimes collectively identified and referred to as "well development and/or operation in the Subject Drilling Unit"), and (2) that the Board designate Equitable Resources Exploration as Unit Operator.

7. Relief Granted: The requested relief in this cause be and hereby is granted and: (1) Pursuant to Sections 45.1-361.21.C.3, Code of Virginia, 1950 as amended, Equitable Resources Exploration (hereafter "Unit Operator") is designated as the Unit Operator authorized to drill and operate any well in the Subject Drilling Unit, subject to the permit provisions contained in Section 45.1-361.27 et seq., Code of Virginia, 1950 as amended, and to the Board's Order establishing Drilling Units for the Nora Coalbed Gas Field in Dickenson, Wise, Russell, and Buchanan Counties, Virginia, dated March 20, 1989, to § 480-05-22.1 et seq., Gas and Oil Regulations and to § 480-05-22.2 et seq., Virginia Gas and Oil Board Regulations, all as amended from time to time, and (2) all the interests and estates in Subject Drilling Unit, including those of the known and unknown persons listed on Exhibit "B", attached hereto and made a part hereof, and their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, be and hereby are pooled in the Subject Formations in the Subject Drilling Unit underlying and comprised of the Subject Lands.

<u>Subject Formations</u>	<u>Unit Size</u>	<u>Permitted Well Location</u>	<u>Field and Well Classification</u>	<u>Order Number</u>
All Pennsylvanian-aged coals from the top of the Raven formation, including all splits, to top of the green and red shales, including, but not limited to the Raven, Jawbone, Upper Horsepen, Middle	Approximately 58.77-acre drilling unit	One well at location depicted on Exhibit A	Nora Coalbed Gas Field and coalbed methane (CBM) gas well	Nora Coalbed Gas Field Order dated March 20, 1989

Horsepen, Warcreek,
Beckley, Lower
Horsepen, Pocahontas
No. 8, Pocahontas No.
4, Pocahontas No. 3
and Pocahontas No. 1
coal seams and other
associated formations
known as the Nora
Coalbed Gas Field

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For the Subject Drilling Unit
underlying and comprised of the Subject
Land referred to as:

Unit Served by Well Number VC-2277
Dickenson County, Virginia.

8. Election and Election Period: Each person named in Exhibit B who has not heretofore leased to the Operator and/or voluntarily agreed to pool their interests may elect one of the options set forth in Paragraph 9 below and must give written notice of his election of the option selected under Paragraph 9 herein to the designated Unit Operator at the address shown below within thirty (30) days from the date this Order is recorded in the county above named. A timely election shall be deemed to have been made if, on or before the last day of said 30-day period, such electing person has delivered his written election to the designated Unit Operator at the address shown below or has duly postmarked and placed its written election in first class United States mail, postage prepaid, addressed to the Unit Operator at the address shown below.

9. Election Options:

9.1 Option 1 - To Participate In The Development and Operation of the Drilling Unit: Any gas or oil owner named in Exhibit B who has not leased to the Operator and/or voluntarily agreed to pool their interests may elect to participate in the development and operation of the Subject Drilling Unit (hereafter "Participating Operator") by agreeing to pay such Participating Operator's proportionate part of the actual and reasonable costs, including a reasonable supervision fee, of the well development and operation in the Subject Drilling Unit, as more particularly set forth in Virginia Gas and Oil Board Regulation VR 480-05-22.2, Section 10 ("Completed for Production Costs"). Further, a Participating Operator agrees to pay such Participating Operator's proportionate part of the Estimated, Completed-for-Production Costs set forth below to the Unit Operator within forty-five (45) days from the later of the date of mailing or the date of recording of this Order. The Estimated, Completed-for-Production Costs for the Subject Drilling Unit are as follows:

Estimated, Completed-for-Production Costs - \$185,771.00

A Participating Operator's proportionate cost hereunder shall be that proportion of said costs which the number of net mineral acres in the Subject Drilling Unit owned or claimed by such Participating Operator bears to the total number of mineral acres in Subject Drilling Unit. Provided, however, that in the event a Participating Operator elects to participate and fails or refuses to pay his proportionate part of the Estimated, Completed-for-Production Costs as set forth above, all within the time set forth herein and in the manner prescribed in Paragraph 8 of this Order, then such Participating Operator shall be deemed to have elected not to

participate and to have elected compensation in lieu of participation pursuant to Paragraph 9.2 herein.

- 9.2 Option 2 - To Receive A Cash Bonus Consideration: In lieu of participating in the development and operation of Subject Drilling Unit under Paragraph 9.1 above, any gas or oil owner named in Exhibit B who has not leased or voluntarily agreed to pool their interests may elect to accept a cash bonus consideration of \$5.00 per net mineral acre owned by such person, commencing upon entry of this Order and continuing annually until commencement of production from Subject Drilling Unit, together with a royalty of 1/8th of 8/8ths [twelve and one-half percent (12.5%)] of the net proceeds received by the Unit Operator for the sale of the Coalbed Methane Gas and gas condensate produced from any well development covered by this Order (for purposes of this Order, net proceeds shall be actual proceeds received less all post-production costs incurred downstream of the wellhead, including, but not limited to, all gathering, compression, treating, transportation and marketing costs, whether performed by Unit Operator or a third person) as fair, reasonable and equitable compensation to be paid to said gas or oil owner. The initial cash bonus shall become due and owing when so elected and shall be tendered, paid or escrowed within sixty (60) days of recording of this Order. Thereafter, annual cash bonuses, if any, shall become due and owing on each anniversary of the date of recording of this order in the event production from Subject Drilling Unit has not theretofore commenced, and once due, shall be tendered, paid or escrowed within sixty (60) days of said anniversary date. Once the initial cash bonus and the annual cash bonuses, if any, are so paid or escrowed, said payment(s) shall be satisfaction in full for all right, title, interest, estates, and claims of such electing gas or oil owner to the Gas produced from Subject Formation in the Subject Lands, except, however, for the 1/8th royalties due hereunder.

The election made under this Paragraph 9.2, when so made, shall be satisfaction in full for all right, title, interests, estates and claims of such electing person in any well development and operation covered hereby and such electing person shall be deemed to and hereby does lease and assign all its right, title, interests, estates, and claims to the Gas produced from Subject Formation in the Subject Drilling Unit to the Unit Operator.

- 9.3. Option 3 - To Share In The Development And Operation As A Non-Participating Person On A Carried Basis And To Receive Consideration In Lieu Of Cash: In lieu of participating in the development and operation of Subject Drilling Unit under Paragraph 9.1 above and in lieu of receiving the Cash Bonus Consideration under Paragraph 9.2 above, any gas or oil owner named in Exhibit B who has not leased or voluntarily agreed to pool their interests in Subject Drilling Unit may elect to share in the development and operation of Subject Drilling Unit on a carried basis (as a "Carried Well Operator") so that the proportionate part of the Completed-for-Production Costs hereby allocable to such Carried Well Operator's interest is charged against such Carried Well Operator's share of production from Subject Drilling Unit. All of such Carried Well Operator's rights, title, interests, estates and claims to the Gas in Subject Drilling Unit shall be deemed and hereby are assigned to the Unit Operator until the proceeds from the sale of such Carried Well Operator's share of production from Subject Drilling Unit (exclusive of any royalty, excess or overriding royalty, or other non-operating or non cost-bearing burden reserved in any lease, assignment thereof or agreement relating thereto covering such interest) equals three

hundred percent (300%) for a leased interest or two hundred percent (200%) for an unleased interest (whichever is applicable) of such Carried Well Operator's share of the Completed-for-Production Costs allocable to the interest of such Carried Well Operator. When the Unit Operator recoups and recovers from such Carried Well Operator's assigned interest the amounts provided for above, then, the assigned interest of such Carried Well Operator shall automatically revert back to such Carried Well Operator, and from and after such reversion, such Carried Well Operator shall be treated as if it had participated initially under Paragraph 9.1 above; and thereafter, such participating person shall be charged with and shall pay his proportionate part of all further costs of such well development.

The election made under this Paragraph 9.3, when so made, shall be satisfaction in full for all rights, title, interests, estates and claims of such electing person in any well development and operation covered hereby and such electing person shall be deemed to have and hereby does assign all its rights, title, interest, estates and claims in the Gas produced from Subject Formations in the Subject Drilling Unit to the Unit Operator for the period of time during which its interest is carried as above provided prior to its reversion back to such electing person.

10. Failure to Properly Elect: In the event a person named in Exhibit B who has not leased to the Operator or voluntarily agreed to pool their interests fails to elect within the time, in the manner and in accordance with the terms of this Order, one of the alternatives set forth in Paragraph 9 above, then such person shall be deemed to have elected not to participate in the proposed development and operation of Subject Drilling Unit and shall be deemed, subject to a final legal determination or ownership, to have elected to accept as satisfaction in full for all such person's right, title, interests, estates and claims to the Gas produced from Subject Formation in Subject Drilling Unit, the consideration provided in Paragraph 9.2 above for which its interest qualifies and shall be deemed to have leased and/or assigned all his right, title, interests, estates and claims to said Gas to the Unit Operator. Persons who fail to properly elect shall be deemed, subject to a final legal determination of ownership, to have accepted the compensation and terms set forth herein at Paragraph 9.2 in satisfaction in full for all right, title, interests, estates and claims of such person to the Gas produced from in the Subject Lands.

11. Default By Participating Person: In the event a person named in Exhibit B who has not heretofore leased to the Operator and/or voluntarily agreed to pool their interests elects to participate under Paragraph 9.1, but fails or refuses to pay, to secure the payment or to make an arrangement with the Unit Operator for the payment of such person's proportionate part of the Estimated Completed-for-Production costs as set forth herein, all within the time and in the manner as prescribed in this Order, then such person shall be deemed to have withdrawn his election to participate and shall be deemed to have elected to accept as satisfaction in full for such person's right, title, interest, estates and claims the consideration provided in Paragraph 9.2 above for which his interest qualifies depending on the excess burdens attached to such interest. Whereupon, any cash bonus consideration due as a result of such deemed election shall be tendered, paid or escrowed by Unit Operator within sixty (60) days after the last day on which such defaulting person under this Order should have paid his proportionate part of such cost or should have made satisfactory arrangements for the payment thereof. When such cash bonus consideration is paid or escrowed, it shall be satisfaction in full for all right, title, interests, estates and claims of such person to the Gas produced from the Subject Formation underlying the Subject Lands covered hereby, except, however, for any 1/8 royalties which would become due pursuant to Paragraph 9.2 hereof.

12. Assignment of Interest: In the event a person named in Exhibit B who has not heretofore leased to the Operator and/or voluntarily agreed to pool their interests elects or fails to elect to do other than participate under Paragraph 9.1 above in the development and operation of the well in Subject Formations in Subject Drilling Unit, then such person shall be deemed to have and shall have assigned unto Unit Operator such person's right, title, interests, estates and claims in and to said well, in Subject Formations in Subject Drilling Unit, and other share in production to which such person may be entitled by reason of any election or deemed election hereunder in accordance with the provisions of this Order governing said election.

13. Unit Operator (or Operator): The Applicant, Equitable Resources Exploration, be and hereby is designated as Unit Operator authorized to drill and operate the well in Subject Formations in Subject Drilling Unit, all subject to the permit provisions contained in Section 45.1-361.27 et seq., Code of Virginia, 1950 as amended, §§ 480-05-22.1 et seq., Gas and Oil Regulations and §§ 480-05-22.2 et seq., Virginia Gas and Oil Board Regulations, and the Virginia Oil and Gas Conservation Board's Order for the Nora Coalbed Gas Field dated March 20, 1989, all as amended from time to time, and all elections required by this Order shall be communicated to Unit Operator in writing at the address shown below:

Hunter, Smith & Davis
Law Center
1212 North Eastman Road
P. O. Box 3740
Kingsport, TN 37664
Phone: (615) 378-8800
Fax: (615) 378-8801
Attn: Douglas S. Tweed

14. Commencement of Operations: Unit Operator shall commence or cause to commence operations for the drilling of any well covered hereby within three hundred and sixty-five (365) days from the date of this Order and shall prosecute the same with due diligence. If Unit Operator shall not have so commenced and/or prosecuted, then this Order shall terminate, except for any cash sums becoming payable hereunder; otherwise, this Order shall expire at 12:00 P.M. on the date on which any well covered by this Order is permanently abandoned and plugged unless sooner terminated by Order of the Board. However, in the event an appeal is taken from this Order, then the time between the filing of the Petition for Appeal and the final Order of the Circuit Court shall be excluded in calculating the one year period referenced to herein.

15. Operator's Lien: Unit Operator, in addition to the other rights afforded hereunder, shall have a lien and a right of set off on the mineral estates, rights, and interests owned by any person subject hereto who elects to participate under Paragraph 9.1 in the Subject Drilling Unit to the extent that costs incurred in the drilling or operation on the Subject Drilling Unit are a charge against such person's interest. Such liens and right of set off shall be separable as to each separate person and shall remain liens until the Unit Operator drilling or operating any well covered hereby has been paid the full amounts due under the terms of this Order.

16. Escrow Provisions:

By this Order, the Board instructs the Escrow Agent named herein or any successor named by the Board to establish an interest-bearing escrow account, (herein "the Escrow Account") to receive and account to the Board pursuant to its agreement for the escrowed funds hereafter described:

Tazewell National Bank
P. O. Box 909
Tazewell, VA 24651
(herein "Escrow Agent")

16.1 Escrow Provisions For Unknown or Unlocatable Persons: If any payment of bonus, royalty payment or other payment due and owing under this Order cannot be made because the person entitled thereto cannot be located or is unknown, then such cash bonus, royalty payment, or other payment shall not be commingled with any funds of the Unit Operator, and pursuant to Section 45.1-361.21.D, Code of Virginia, 1950 as amended, said sums shall be deposited by the Operator into the Escrow Account, commencing within sixty (60) days of recording of this Order, and continuing thereafter on a monthly basis with each deposit to be made, by use of the report format approved by the Inspector, by a date which is no later than sixty (60) days after the last day of each month being reported and/or for which funds subject to deposit. Such funds shall be held for the exclusive use of, and sole benefit of the person entitled thereto until such funds can be paid to such person(s) or until the Escrow Agent relinquishes such funds as required by law or pursuant to Order of the Board in accordance with § 45.1-361.21.D., Code of Virginia, 1950 as amended.

16.2 Escrow Provisions For Conflicting Claimants: If any payment of bonus, royalty payment or other payment due and owing under this Order cannot be made because the person entitled thereto cannot be made certain due to conflicting claims of ownership and/or a defect or cloud on the title, then such cash bonus, royalty payment or other payment, together with Participating Operator's Proportionate Costs paid to Operator pursuant to Paragraph 9.1, if any, (1) shall not be commingled with any funds of the Unit Operator; and (2) shall, pursuant to Virginia Code Sections 45.1-361.22A.2, 45.1-361.22A.3 and 45.1-361.22.4, be deposited by the Operator into the Escrow Account, commencing within sixty (60) days of the recording of this Order, and continuing thereafter on a monthly basis with each deposit to be made, by use of a report format approved by the Inspector, by a date which is no later than sixty (60) days after the last day of each month being reported and/or for which funds are subject to deposit. Such funds shall be held for the exclusive use of, and sole benefit of, the person entitled thereto until such funds can be paid to such person(s) or until the Escrow Agent relinquishes such funds as required by law or pursuant to Order of the Board.

17. Special Findings: The Board specifically and specially finds:

- 17.1 Applicant is a corporation duly authorized and qualified to transact business in the Commonwealth of Virginia;
- 17.2 Applicant claims ownership of gas leases, coalbed methane gas leases, and/or coal leases under 86.4187 percent of the unit acreage in Subject Drilling Unit, and Applicant claims the right to explore for, develop and produce Coalbed Methane Gas from Subject Formations in Subject Drilling Unit underlying Subject Lands.
- 17.3 Applicant is an operator in the Commonwealth of Virginia and has satisfied the Board's requirements for operations in Virginia;
- 17.4 Applicant has proposed the drilling of one (1) well to a depth of 2343 feet on the Subject Drilling Unit to develop the pool of Gas in Subject formations.
- 17.5 Respondents are listed on Exhibit "B". Set forth in Exhibit "B" is the name and last known address of each person of record identified by the Applicant as having or claiming a potential interest in the Coalbed Methane Gas in Subject Drilling Unit underlying and

comprised of Subject Lands of which 13.5813 percent remain unleased by or to the Operator.

- 17.6 A well work permit for Well No. VC-2277 is currently pending before the Virginia Department of Mines, Minerals and Energy.
- 17.7 The estimated total production over the life of the proposed well is 300,000 mcf.
- 17.8 Applicant's evidence established that the fair, reasonable and equitable compensation to be paid to any person in lieu of the right to participate in any well covered hereby are those options provided in Paragraph 9 above; and
- 17.9 The relief requested and granted is just and reasonable, is supported by substantial evidence and will afford each person in the Subject Drilling Unit the opportunity to recover or receive, without unnecessary expense, each person's just and fair share of the production from Subject Drilling Unit. The granting of the Application and relief requested therein will ensure to the extent possible the greatest ultimate recovery of coalbed methane gas, prevent or assist in preventing the various types of waste prohibited by statute and protect or assist in protecting the correlative rights of all persons in the subject common sources of supply in the Subject Lands. Therefore, the Board is entering an Order granting the relief herein set forth.

18. Mailing Of Order And Filing Of Affidavit: Applicant or its Attorney shall file an affidavit with the Secretary of the Board within sixty (60) days after the date of receipt of this Order stating that a true and correct copy of said Order was mailed within seven (7) days from the date of receipt of this Order to each person pooled by this Order whose address is known.

19. Availability of Unit Records: The Director shall provide all persons not subject to a lease with reasonable access to all records for Subject Drilling Unit which are submitted by the Unit Operator to said Director and/or his Inspector(s).

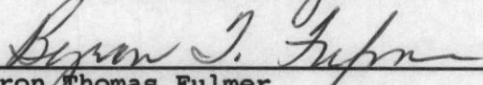
20. Conclusion: Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

21. Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 12th day of February, 1993, by a majority of the Virginia Gas and Oil Board.

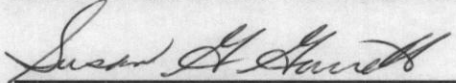

Chairman Benny R. Wampler

DONE AND PERFORMED this 12th day of February, 1993, by Order of this Board.


Byron Thomas Fulmer
Principal Executive To The Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA)
COUNTY OF WISE)


Acknowledged on this 12th day of February, 1993, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.


Susan G. Garrett
Notary Public

My commission expires 7/31/94

STATE OF VIRGINIA)
COUNTY OF WASHINGTON)

Acknowledged on this 10th day of February, 1993, personally before me a notary public in and for the Commonwealth of Virginia, appeared Byron Thomas Fulmer, being duly sworn did depose and say that he is Principal Executive to the Staff of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.


Susan G. Garrett
Notary Public

My commission expires 7/31/94

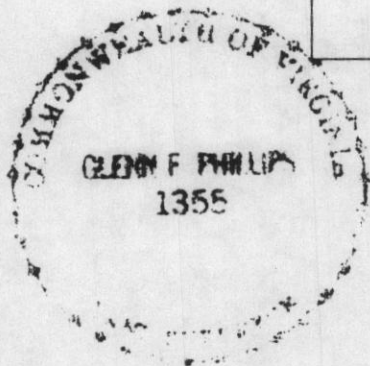
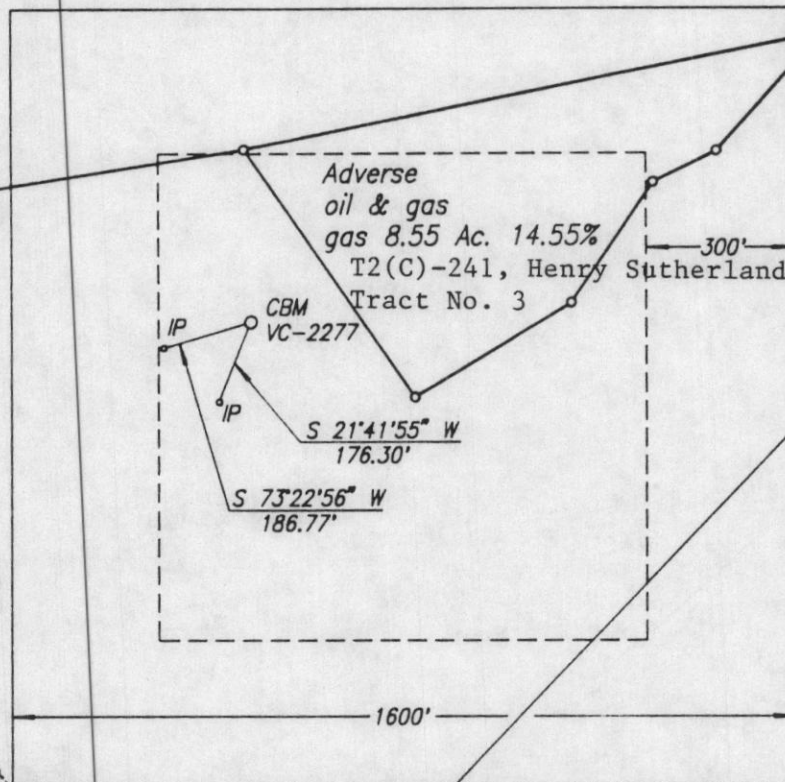
Latitude 37° 07' 30"

Lease No. PO-148 / T-389
 S. D. Sutherland
 76.30 Acres
 Clinchfield Coal Company /
 Pyxis Resources Company - surface & coal
 Pine Mountain Oil & Gas, Inc. - oil & gas
 gas 8.14 Ac. 13.85%
 Tract No. 2

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Longitude 82° 10' 00"

14,825'



Lease No. PO-148 / T-409
 J. N. R. Sutherland
 430.65 Acres
 Clinchfield Coal Company /
 Pyxis Resources Company - surface & coal
 Pine Mountain Oil & Gas, Inc. - oil & gas
 gas 42.08 Ac. 71.60%
 Tract No. 1

Well elevation determined by trigonometric leveling from BM 1631 VA

Area of Unit = 58.77 Ac.

Well Coordinates: (Clinchfield Coal Company)
 S 5745.64 E 58790.20

WELL LOCATION PLAT

COMPANY Equitable Resources Exploration, Inc. WELL NAME AND NUMBER VC-2277
 TRACT NO. PO-148/T-409 ELEVATION 2202.41 QUADRANGLE Duty
 COUNTY Dickenson DISTRICT Ervinton SCALE 1" = 400' DATE 12-5-1991
 This Plat is a new plat x; an updated plat ; or a final location plat

+ Denotes the location of a well on United States topographic Maps, scale 1 to 24,000, latitude and longitude lines being represented by border lines as shown.

Glen F. Phillips

Licensed Professional Engineer or Licensed Land Surveyor

EXHIBIT "B"
VC-2277
VGOB-93/01/19-0317

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<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Oil, Gas and Coal Estate			
1	Pine Mountain Oil & Gas Attn: Richard Brillhart P.O. Box 4000 Lebanon, VA 24266	Leased-EREX Tract T-409 PO-148/241490	71.60%	42.08
2	Pine Mountain Oil & Gas Attn: Richard Brillhart P.O. Box 4000 Lebanon, VA 24266	Leased-EREX Tract T-389 PO-148/241490	13.85%	8.14
3	Heirs of Henry Sutherland..			
	Oil and Gas Estate Only			
	Verna V. Sutherland Bowman (Bonnie B. Sedler, A-I-F) 7771 St. Andrews Road Lake Worth, FL 33467	Leased-EREX 244312L33	.1470	.086365
	Roy Sutherland P.O. Box 1502 Libby, MT 59923	Leased-EREX 244312L04	.0147	.008636
	Alice Hunt 980 N. Granite Reef Road Apartment #352 Scottsdale, AZ 85257	Leased-EREX 244312L30	.0147	.008636
	Richard & Leola Quesenberry 1520 N. 16th Avenue Pasco, WA 99301	Leased-EREX 244312L15	.0147	.008636
	Maynard & Jeannie Quesenberry P.O. Box 586 Avalon, CA 90704	Leased-EREX 244312L16	.0147	.008636
	Bob & Dorothy Quesenberry Route 85, Box 4058 Livingston, MT 59047	Leased-EREX 244312L08	.0147	.008636
	Betty & Buddy Moore Route 2, Box 177-E Toccoa, GA 30577	Leased-EREX 244312L26	.0147	.008636

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Georgia Eden P.O. Box 203 Livingston, MT 59047	Leased-EREX 244312L27	.004803	.002879
	Iris and Richard Zeuschner 120 North D. Street Livingston, MT 59047	Leased-EREX 244312L21	.004803	.002879
	David and Robin Pfohl Route 38, Box 2056-A Livingston, MT 59047	unleased	.004803	.002879
	Earl and Marilyn Sharon P.O. Box 684 Conner, MT 59827	Leased-EREX 244312L31	.004803	.002879
	Michael and Gail Kinnick 12 Hatfield Avenue Sidney, NY 13838	unleased	.004803	.002879
	Charlene S. Kinnick 2207 96th Avenue, Apt. F Oakland, CA 94603	Leased-EREX 244312L13	.004803	.002879
	Harold & Margaret Spangler 3307 S.E. 2nd Avenue Camas, WA 98607	Leased-EREX 244312L14	.007203	.004318
	Thomas B. Nolan 18316 N.E. 4th Plain Rd. Vancouver, WA 98682	unleased	.0015	.000864
	Marsha Nolan 3105 Bridge St., Apt. B Vancouver, WA 98661	unleased	.0015	.000864
	Connie and Doug Allred 6709 N.E. 109th Avenue Vancouver, WA 98662	unleased	.0015	.000864
	Gary Nolan 10511 N.E. 47th Street Vancouver, WA 98682	Leased-EREX 244312L28	.0015	.000864
	Carla and Keith Berry 2215 N.E. 112th Avenue Vancouver, WA 98684	unleased	.0015	.000864

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Rita and Richard Nickel 3606 Q Street Washougal, WA 98671	Leased-EREX 244312L18	.007203	.004318
	Frances & Dexter McPherson P.O. Box 557 Carson, WA 98610	Leased-EREX 244312L17	.007203	.004318
	Richard and Roma Edwards Route 1, Box 293 Haysi, VA 24256-9746	Leased-EREX 244312L03	.0294	.017273
	Ruth Rakes P.O. Box 411 Clintwood, VA 24228	Leased-EREX 244312L02	.0294	.017273
	Emma Cochran Route 1, Box 313-A Haysi, VA 24256	Leased-EREX 244312L23	.0294	.017273
	Bobbie & Minnie Stanley 7587 Gerwig Court Westerville, OH 43081	Leased-EREX 244312L12	.0037	.002159
	Frank and Linda Stanley 125 Big Ben Court Franklin, TN 37064	Leased-EREX 244312L22	.0037	.002159
	Imogene & James Williams 241 N. U.S. Highway 1 Ormond Beach, FL 32174	unleased	.0037	.002159
	Christene & Johnny Harrison Route 1, Box 239 Haysi, VA 24256	unleased	.0037	.002159
	Evelyn and Louis Underwood 344 Quinn Avenue Galena, OH 43021	unleased	.0037	.002159
	Judy and Edward Hopkins 13910 Center Village Road Galena, OH 43021	unleased	.0037	.002159
	Leonard & Eileen Branham Route 2, Box 156 Honaker, VA 24260	Leased-EREX 244312L29	.0037	.002159

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Sara Stanley 3827 Alpert Drive Orlando, FL 32810	unleased	.0037	.002159
	Frances & Warren Younce Co-Guardians for Leon Earl Younce P.O. Box 367 Clinchco, VA 24226	unleased	.0037	.002159
	Kathleen & Adron Counts 3645 Township Road 26 Cardington, OH 43315	Leased-EREX 244312L25	.0037	.002159
	Burnard & Dorothy Younce Route 1, Box 296-A Haysi, VA 24256	unleased	.0037	.002159
	R.C. and Betty Younce Route 1, Box 257 Haysi, VA 24256	unleased	.0037	.002159
	Betty and Vergil Sykes 14442 S.E. 30th Terrace Summerfield, FL 32691	unleased	.0037	.002159
	Clifton and Margaret Younce 12121 S.E. Highway 441 Belleview, FL 32620	unleased	.0037	.002159
	Larry & Barbara Younce Route 1, Box 338 Haysi, VA 24256	unleased	.0037	.002159
	Shelia & Billy Branham Route 1, Box 300 Haysi, VA 24256	unleased	.0037	.002159
	James & Mary Sue Sutherland P.O. Box X Haysi, VA 24256	unleased	.0294	.017273
	Robert & Betty Sutherland P.O. Box J Haysi, VA 24256	unleased	.0294	.017273

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Emma & Jim O'Quinn P.O. Box D Haysi, VA 24256	unleased	.0294	.017273
	Peggy Craft 11408 Orchard Lane Reston, VA 22090	unleased	.0294	.017273
	H. Clayton Davis 302 Memorial Boulevard Narrows, VA 24124	unleased	.0294	.017273
	Mabel S. Hurst Route 2, Box 4 Grundy, VA 24614	Leased 244312L10	.0184	.010795
	Kerry and Bertha Sutherland 80 Ruby Court Christiansburg, VA 24073	Leased-EREX 244312L24	.0184	.010795
	Opal Ashworth 430 Edgewood Avenue Welch, WV 24801	Leased-EREX 244312L20	.0184	.010795
	Kate Joyce Sutherland Route 2, Box 4 Grundy, VA 24614	Leased-EREX 244312L06	.0184	.010795
	Grayson & Barbara Sutherland P.O. Box 817 Grundy, VA 24614	Leased-EREX 244312L11	.0184	.010795
	Charlene Sutherland Route 2, Box 4 Grundy, VA 24614	Leased-EREX 244312L19	.0184	.010795
	Brenda Lee Sutherland Route 2, Box 4 Grundy, VA 24614	Leased-EREX 244312L09	.0184	.010795
	Larry & Margaret Sutherland 323 Honeysuckle Lane Private Drive Kingsport, TN 37664	Leased-EREX 244312L07	.0184	.010795

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Harry & Ethel Sutherland 1623 Millard Avenue Royal Oak, MI 48073	Leased-EREX 244312L01	.147	.086364
	Jerry & Mary Sutherland P.O. Box K Haysi, VA 24256	Leased-EREX 244312L32	.147	.086364
	Paula and Billy King 585 Third Street Christiansburg, VA 24073	Leased 244312L05	.147	.086364
	Donald and Nadine Farmer Route 3, Box 97 Stone Mountain Estates Abingdon, VA 24210	unleased	.049	.028788
	Richard Wright 2777 East Sunset Road Las Vegas, NV 89120	unleased	.049	.028788
	Gene Wright 2777 East Sunset Road Las Vegas, NV 89120	unleased	.049	.028788
	Unknown Heirs of Henry Sutherland	unleased	13.337273	7.772727

Coal Estate Only

(3 continued)

Clinchfield Coal Company Paul Guild, Chief Engineer P.O. Box 7 Dante, VA 24237	Leased-EREX Tract T2(C)-241 8.55 acres
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TOTAL

100.00% 58.77

Percentage of Unit Leased	50.7883 Ac.	86.4187%
Percentage of Unit Unleased	7.9817 Ac.	13.5813%

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF DICKENSON COUNTY, Mar 5, 1993. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 3:53 o'clock PM, after payment of \$ tax imposed by Sec. 58.1-802.

Original returned this date to

Diane Davis

TESTE: JOE TATE, CLERK

BY: [Signature] D. CLERK